



## **BEGA CHEESE LIMITED (ACN 008 358 503)**

### **DIVIDEND REINVESTMENT PLAN**

#### **SUMMARY**

##### **1.0 ELIGIBILITY**

Subject to the Terms and Conditions, all holders of ordinary shares in Bega Cheese Limited (**Bega Cheese**) are eligible to participate in the Dividend Reinvestment Plan (**DRP**).

##### **2.0 ELECTION TO PARTICIPATE**

Participation in the **DRP** is optional. No action is required by you if you wish to receive your dividend in the usual manner. You may apply to participate (or vary or terminate your participation) in the **DRP** in respect of all or some of your shares by completing and sending the **DRP** Form to Bega Cheese's share registrar so that it reaches the share registrar before 5pm on the record date for determining the relevant dividend entitlements.

##### **3.0 PARTICIPATION**

At each dividend payment date, the dividend on shares participating in the **DRP** is automatically reinvested in Bega Cheese in return for the issue of new shares. Shares issued under the **DRP** will be ordinary shares that rank equally in all respects with existing shares and can be sold at any time.

If you choose to participate in the **DRP** only in respect of some (but not all) of your shares, the number of shares you nominate to participate will participate in the **DRP**, and a cash dividend will be paid in relation to the balance of the shares you hold by normal means.

If your participation in the **DRP** may result in a breach of a maximum shareholder limit in force under Bega Cheese's constitution, the directors of Bega Cheese may reduce your participation.

##### **4.0 SHARE PRICE AND ENTITLEMENT CALCULATION**

If you choose to participate in the **DRP**, you will be issued a statement after each dividend payment setting out details of the number of shares issued to you under the **DRP** in respect of that dividend. New shares may be issued at a discount from market price, with the amount of the discount to be as determined by the directors of Bega Cheese in relation to each dividend. When an entitlement calculation results in the entitlement to a fraction of a share, your entitlement to new shares will be rounded to the nearest whole number.

##### **5.0 NO COST TO SHAREHOLDERS**

Bega Cheese will bear all administration costs in connection with the **DRP**. There is no brokerage, stamp duty or other charge payable by you in respect of new shares issued to you under the **DRP**.

##### **6.0 CHANGES TO THE **DRP****

The **DRP** may be suspended, modified or terminated by the directors of Bega Cheese at any time in accordance with the rules of the **DRP**.



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#### 1.0 DEFINITIONS AND INTERPRETATION

##### 1.1. Defined terms

The following definitions apply in these Terms and Conditions unless the context requires otherwise:

**Applicable Law** means any relevant Australian law including the Corporations Act.

**Application** means an application to participate in the DRP made by submitting the DRP Form to the Share Registry in accordance with these Terms and Conditions or in another manner approved by the Board.

**ASX** means ASX Limited or, where the context requires, the market it operates.

**Bega Cheese** means Bega Cheese Limited ACN 008 358 503.

**Board** means the board of directors of Bega Cheese from time to time.

**Business Day** has the same meaning as in the Listing Rules.

**Constitution** means the constitution of Bega Cheese, as amended from time to time.

**Corporations Act** means Corporations Act 2001 (Cth).

**Dividend** means a dividend or interim dividend of Bega Cheese.

**Dividend Amount** means the dollar amount of a Dividend payable to a Participant in respect of Participating Shares, less any dollar amount (such as withholding tax) that Bega Cheese is required or authorised to deduct under an Applicable Law, the Listing Rules or the Constitution.

**Dividend Payment Date** means the date on which a Dividend is paid by Bega Cheese.

**DRP** means the Bega Cheese Dividend Reinvestment Plan governed by these Terms and Conditions.

**DRP Form** means the form relating to the DRP used to apply for, vary or terminate participation in the DRP, a copy of which can be obtained by contacting the Share Registry.

**DRP Statement** means the statement referred to in clause 8.0.

**Full Participant** means a Participant who participates in the DRP in respect of all Shares held by that Participant from time to time (including Shares issued under the DRP).

**Issue Price** means the issue price of Shares issued under the DRP, as determined in accordance with these Terms and Conditions.

**Listing Rules** means the Listing Rules of the ASX.

**Minimum Amount** means a minimum number of Shares (if any) required to be nominated for participation in the DRP (whether in respect of a particular Dividend or Dividends generally), as determined by the Board from time to time and notified on the Bega Cheese website and by notice to the ASX.

**Non-Participating Shares** means, in relation to a Partial Participant, the Shares registered in the name of the Partial Participant that do not participate in the DRP.

**Notice** means a notice given under these Terms and Conditions, including an Application, Variation Notice or Termination Notice.



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**Participant** means a Shareholder who participates in the DRP.

**Participating Shares** means, in relation to a Participant, the Shares registered in the name of the Participant that participate in the DRP.

**Partial Participant** means a Participant who participates in the DRP in respect of some, but not all, of the Shares held by that Participant.

**Record Date** has the same meaning as in the Listing Rules.

**Share** means a fully paid ordinary share in the capital of Bega Cheese.

**Share Registry** means the share registry of Bega Cheese, being Link Market Services Limited.

**Shareholder** means a person registered as the holder of Shares in Bega Cheese.

**Terms and Conditions** means these terms and conditions of the DRP.

**Termination Notice** means a DRP Form submitted by a Participant to Bega Cheese under which a Participant applies to withdraw from participation in the DRP.

**Variation Notice** means a DRP Form submitted by a Participant to Bega Cheese under which a Participant applies to vary the level of participation in the DRP.

#### 1.2. Interpretation

In these Terms and Conditions, except where the context otherwise requires:

- a. the singular includes the plural and vice versa, and a gender includes other genders;
- b. another grammatical form of a defined word or expression has a corresponding meaning;
- c. a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, these Terms and Conditions, and a reference to these Terms and Conditions includes any schedule or annexure;
- d. a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- e. a reference to A\$, \$A, dollar or \$ is to Australian currency;
- f. a reference to time is to Sydney, Australia time;
- g. a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- h. a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and
- i. a word or expression that is not defined in these Terms and Conditions but is defined in the Corporations Act has the meaning given to it in the Corporations Act.

#### 1.3. Headings

Headings are for ease of reference only and do not affect interpretation.

#### 2.0 TERMS AND CONDITIONS

- a. These Terms and Conditions and the operation of the DRP are subject to all Applicable Laws, the Listing Rules and the Constitution.



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- b. Shareholders may, by participating in the DRP, elect to receive additional Shares in substitution for Dividend Amounts in respect of all, or part only (as determined by each Shareholder) of their Shares.
- c. Participation by a Shareholder in the DRP is optional and is not transferable.

#### 3.0 ELIGIBILITY

- a. Subject to these Terms and Conditions, all Shareholders are eligible to participate in the DRP.
- b. A Shareholder may make an Application to participate in the DRP by delivery of a DRP Form to the Share Registry.
- c. An Application received by the Share Registry to participate in the DRP is not effective for a Dividend unless it is received by the Share Registry prior to the Record Date for that Dividend or a later date as may be determined by the Board.
- d. The Board may in its discretion reject an Application or exclude a Shareholder from participating in the DRP (in whole or in part) at any time and from time to time and is not required to give any reason for doing so.
- e. Without limiting clause d, the Board may exclude a Shareholder from participation in the DRP (in whole or in part) at any time and from time to time if:
  - i. the Shareholder has a registered address or is a resident in a country or place where the offer of a right of election or participation would or might be unlawful without further action by Bega Cheese;
  - ii. the Shareholder's participation in the DRP would, in the Board's opinion, result in a breach of an Applicable Law, the Listing Rules or the Constitution; or
  - iii. the Shareholder has nominated a level of participation that is less than the Minimum Amount.
- f. In the case of joint holders of Shares, if one or more of the joint holders is not eligible to participate in the DRP, none of the joint holders is eligible to participate in the DRP in respect of the jointly held Shares.
- g. Bega Cheese must notify a Shareholder of the rejection of any Application or exclusion of a Shareholder from participating in the DRP (in whole or in part) as soon as practicable after the Application is rejected or the Shareholder is excluded from participation.
- h. A Shareholder is solely responsible for obtaining any government or regulatory approvals and consents necessary for that Shareholder to be eligible to participate in the DRP.

#### 4.0 PARTICIPATION

- a. A Shareholder may elect that all or a specified lesser number of the Shares registered or to be registered in the name of that Shareholder (provided that number of Shares at all times exceeds the Minimum Amount) will participate in the DRP.
- b. If a Shareholder nominates a number of Shares less than the total number of Shares held by them to participate in the DRP, following acceptance of the Application by the Board, the Shareholder will become a Partial Participant in the DRP in relation to the Shares nominated.



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- c. If a Shareholder does not specify the number of Shares to participate in the DRP in its Application, the Application will be deemed to be an Application by the Shareholder to become a Full Participant.
- d. If an Application is accepted by the Board, the Shareholder:
  - i. where the Application was in respect of all of the Shares registered or to be registered in the name of that Shareholder, is admitted as a Full Participant; or
  - ii. where the Application was in respect of a specified lesser number of Shares registered or to be registered in the name of that Shareholder, is admitted as a Partial Participant.
- e. Where a Participant's participation in the DRP with respect to a particular Dividend will, in the Board's opinion, result in a breach of a shareholding limit set in the Constitution, the Board may, in its discretion, reduce the Participating Shares of that Participant for that Dividend to the number of Participating Shares that can participate without the Participant breaching the applicable shareholding limit. Any Shares of the Participant so excluded from participation will be deemed to be Non-Participating Shares for the purposes of that Dividend only.
- f. By providing an Application or Variation Notice to Bega Cheese, the Shareholder:
  - i. warrants to Bega Cheese that it is eligible to participate in the DRP;
  - ii. authorises Bega Cheese or its officers or agents to correct any error in or omission from any Application or Variation Notice;
  - iii. acknowledges that Bega Cheese may:
  - iv. determine that any Application or Variation Notice is valid; or
  - v. reject any Application or Variation Notice
  - vi. in accordance with these Terms and Conditions;
  - vii. acknowledges that the Board may exercise its discretion in accordance with clause e to reduce the Shareholder's Participating Shares in respect of any particular Dividend;
  - viii. acknowledges that Bega Cheese may arrange for the DRP to be fully or partially underwritten in respect of any one or more Dividends;
  - ix. acknowledges that Bega Cheese has not provided the Shareholder with investment advice or financial product advice concerning its decision to apply to participate in the DRP and that Bega Cheese has no obligation to provide this advice; and
  - x. agrees to be bound by these Terms and Conditions.
- g. By providing a Termination Notice to Bega Cheese, the Shareholder:
  - i. authorises Bega Cheese or its officers or agents to correct any error in or omission from the Termination Notice; and
  - ii. acknowledges that Bega Cheese may:
    - A. determine that any Termination Notice is valid; or
    - B. reject any Termination Notice,in accordance with these Terms and Conditions.
- h. A DRP Form must be validly signed by or on behalf of the Shareholder in accordance with the requirements of the form.



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#### 5.0 NOTICES OF VARIATION AND TERMINATION

- a. A Participant may at any time give to the Share Registry:
  - i. a Variation Notice increasing or decreasing the number of Shares participating in the DRP; or
  - ii. a Termination Notice terminating participation in the DRP.
- b. A DRP Form received by the Share Registry to vary the level of participation or to terminate participation in the DRP takes effect from the first Record Date to occur following receipt of the DRP Form by the Share Registry.

#### 6.0 OPERATION OF THE DRP

- a. The Dividend amount that is available for payment to a Participant in respect of Participating Shares will be applied by Bega Cheese to subscribe for Shares under the DRP on the Participant's behalf.
- b. The price at which each Share is issued under the DRP in respect of a Dividend (Issue Price) is the Market Price less the Discount (if any), rounded down to the nearest cent.
- c. For the purpose of clause b:
  - i. **Discount** means the percentage discount (if any) determined by the Board from time to time to be applied to the Market Price in calculating the Issue Price per Share; and
  - ii. **Market Price** means:
    - A. the arithmetic average of the daily volume weighted average price of all Shares sold in the ordinary course of trading on the stock market of the ASX over a period of not less than five Business Days commencing on the date determined by the Board (whether before or after the Record Date for the Dividend referred to in clause b); or
    - B. if no Shares have been sold in that five Business Day period, the last sale price of Shares sold in the ordinary course of trading on the stock market of the ASX prior to that date,where the ordinary course of trading excludes any transaction defined in the ASX Market Rules as 'special', crossings prior to the commencement of normal trading, crossings during the closing phase and the after hours adjust phase, any overseas trades or trades pursuant to the exercise of options over Shares, any overnight crossings and any other trades that the Board considers may not be fairly reflective of natural supply and demand.
- d. In respect of each Dividend in respect of which the DRP operates, Bega Cheese will:
  - i. calculate the number of Shares to be issued to each Participant at the Issue Price under the DRP, rounded to the nearest whole Share;
  - ii. on behalf of and in the name of the Participant, apply the total Dividend Amount applicable to Participating Shares to acquire that number of Shares; and
  - iii. issue that number of Shares to the Participant within five Business Days after the Dividend Payment Date.
- e. The Participant will be deemed to have applied the whole of the Dividend Amount determined under clause i in acquiring such number of additional Shares calculated in accordance with that clause and the Participant will not be entitled to any fractional entitlement to any Shares nor to receive payment of any residual cash balance in respect of the round to the nearest whole Share in accordance with clause i.



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#### 7.0 SHARES ISSUED UNDER THE DRP

- a. Subject to the Constitution and the Listing Rules, all Shares issued under the DRP rank equally in every respect with the existing Shares and participate in all Dividends subsequently declared or authorised.
- b. Bega Cheese must issue or cause to be issued a holding statement (or share certificate, as the case requires) to each Participant for the total number of Shares issued to that Participant under paragraph iii.
- c. Bega Cheese must apply for the Shares issued under the DRP to be listed for quotation on the official list of the ASX as soon as reasonably practicable after their date of issue.

#### 8.0 DRP STATEMENTS

- a. Bega Cheese will send to each Participant following each Dividend Payment Date a DRP Statement detailing the following information:
  - i. the number of Participating Shares of the Participant as at the relevant Record Date;
  - ii. the Dividend Amount;
  - iii. if applicable, the amount of withholding tax or other amount which has been deducted from the Dividend Amount;
  - iv. the current Issue Price;
  - v. the number of Shares issued or to be issued to the Participant under the DRP in respect of that Dividend and the date of issue of those Shares;
  - vi. the franked amount (if any) of the Dividend and the imputation tax credit (if any) attaching to the Dividend;
  - vii. subject to any share transactions in the intervening period, the total number of Participating Shares held by the Participant after the Dividend; and
  - viii. other information as the Board may at any time and from time to time determine.

#### 9.0 COSTS TO PARTICIPATING SHAREHOLDERS

No brokerage, commission or other transaction costs and no stamp or other duties are payable by Participants for the issue of Shares to them under the DRP.

#### 10.0 TERMINATION OF PARTICIPATION

- a. A Participant is taken to have terminated participation in the DRP:
  - i. on receipt by Bega Cheese of a Termination Notice terminating participation in the DRP in accordance with these Terms and Conditions;
  - ii. on registration of the transfer of all of the Participant's Participating Shares;
  - iii. on termination of the DRP by the Board;
  - iv. on receipt by Bega Cheese of notice of the death, bankruptcy or liquidation of the Participant; or
  - v. on the Participant (or any one of two or more joint Shareholders who are a Participant) ceasing to be eligible for participation in the DRP.
- b. For the purposes of clause iv the death, bankruptcy or liquidation of any one of two or more joint Shareholders does not automatically terminate the participation of the remaining Shareholder or joint Shareholders in the DRP.





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- c. A Share which has ceased to be a Participating Share is not precluded from subsequently again becoming subject to the DRP.

#### 11.0 ACQUISITION AND SALE OF SHARES BY PARTICIPANTS

- a. All Shares issued or transferred to a Participant under the DRP will be added to the number of Participating Shares unless a Variation Notice or Termination Notice advising Bega Cheese to the contrary has been delivered to Bega Cheese.
- b. Unless advised by the Partial Participant to the contrary, if a Partial Participant sells or transfers Shares, the Shares sold or transferred will, first, reduce the number of Non-Participating Shares and, secondly, the number of Participating Shares.
- c. If, by the issue, purchase or transfer of Shares otherwise than under the DRP, the number of Shares held by a Partial Participant increases to a number greater than the original nominated number of Participating Shares, the excess of Shares over the number of Participating Shares are taken to be Non-Participating Shares.
- d. Any further Shares acquired (by whatever means) by a Full Participant automatically become Participating Shares on being registered in the Participant's name.

#### 12.0 MODIFICATION AND TERMINATION OF THE DRP

- a. The Board may at its discretion at any time:
  - i. vary the DRP;
  - ii. suspend the operation of the DRP for any one or more Dividends or period of time; or
  - iii. terminate the DRP.
- b. Any variation, suspension or termination made in accordance with clause a:
  - i. is effective from the date of the resolution or a later date as determined by the Board;
  - ii. does not give rise to any liability on the part of Bega Cheese or right of action by a Participant against Bega Cheese or the directors.
- c. Bega Cheese must give written notification to the ASX of any variation, termination or suspension of the DRP.

#### 13.0 TAXATION

Bega Cheese does not take any responsibility or assume any liability for the taxation liabilities of Participants. Shareholders should obtain their own professional advice in relation to the tax implications of participating in the DRP.

#### 14.0 NOTICES

- a. Notices to Bega Cheese must be in writing and in the form prescribed by the Board from time to time (or in any other form the Board may accept).
- b. Notices will be effective upon receipt by Bega Cheese subject to:
  - i. these Terms and Conditions;
  - ii. acceptance by Bega Cheese; and





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- iii. receipt by Bega Cheese before the relevant Record Date for determining entitlements to dividends.
- c. Notices received after the relevant Record Date will not be effective in respect of that dividend payment, but will be effective from the next relevant Record Date.
- d. A Notice must be signed by the Shareholder (or Participant, as the case may be) or, if two or more persons hold Shares jointly, by each joint holder of the Shares.
- e. If a Shareholder or Participant is a body corporate, a Notice must be executed in accordance with sub-section 127(1) of the Corporations Act or by an authorised officer, attorney or representative.
- f. If a Notice is completed by an individual or a body corporate under a power of attorney, the power of attorney under which it is signed or a certified copy of that power must accompany the Notice.

#### 15.0 GENERAL

- a. The DRP and these Terms and Conditions are governed by the laws of New South Wales.
- b. Bega Cheese will record, with respect to each Participant:
  - i. the name and address of the Participant (being the name and address in Bega Cheese's share register from time to time); and
  - ii. the number of Participating Shares held by the Participant from time to time.The Company's records are conclusive evidence of the matters recorded in them.
- c. Any power, discretion or function of Bega Cheese under these Terms and Conditions may be exercised or undertaken by the Board, and the Board may delegate any such power, discretion or function to any person.
- d. Any Dividend payable on Participating Shares which Dividend Bega Cheese is entitled to retain as a result of a change or lien in favour of Bega Cheese in accordance with the constitution of Bega Cheese, or other requirement of law, is not available for the purpose of participating in the DRP.
- e. Subject to the constitution of Bega Cheese, Bega Cheese may:
  - i. implement the DRP in the manner Bega Cheese thinks fit; and
  - ii. settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the DRP or these Terms and Conditions as Bega Cheese thinks fit, whether generally or in relation to any Shareholder or any Shares, and the determination of Bega Cheese is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.
- f. Neither Bega Cheese nor any officer, employee, agent or adviser of it is liable or responsible to any Shareholder or Participant for any loss or alleged loss or disadvantage suffered or incurred by them as a result, directly or indirectly, of any one or more of:
  - i. the establishment or operation of the DRP;
  - ii. participation or non-participation in the DRP; or
  - iii. any advice given with respect to participation in the DRP by any person.



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- g. Despite anything else in these Terms and Conditions, the Listing Rules prevail to the extent of any inconsistency with these Terms and Conditions.

*This document was approved by the Bega Cheese Board on 22 June 2011, with effect from the date of approval.*